

City of Seattle
Office of Housing

Bill Rumpf, Acting Director
Michael McGinn, Mayor



TO: Councilmember Nick Licata, Chair Housing, Human Services, Health, and Culture Committee
Councilmember Sally Clark
Councilmember Tom Rasmussen

FROM: Amy Gray

DATE: March 5, 2010

SUBJECT: Multifamily Property Tax Exemption Program Applications: The Claremont Apartments

Legislation authorizing the Acting Director of the Office of Housing to enter into a contract with Claremont @ Walden LLC ("Claremont Apartments" located at 3333 Rainier Avenue South), outlining the terms and conditions for eligibility for a tax exemption (site map below), is scheduled to be considered by your Committee on March 10, 2010. A table is attached that provides more detail on the project, including market information for the North Rainier neighborhood. Below is a brief summary of the project for your review:

Claremont Apartments/ North Rainier	
Developer / representative:	Claremont @ Walden LLC (SouthEast Effective Development developer)
Residential target area:	North Rainier
Total housing units:	68 rental units: 38 one-bedroom units, 28 two-bedroom units, and 2 three-bedroom units
Number of affordable units:	All 68 rental units are affordable due to the financing structure for the project.
Affordability:	Per MFTE program requirements, a minimum of twenty percent of the units affordable at 80% and 90% of median income. However, due to the nature of the project financing all the units are affordable at 60% of area median income.
Site demolition:	No demolition required; project involves new construction on vacant land. Project is currently under construction.
City portion of tax shift:	\$0.11 on average assessed value home for the first year.

The project has received approximately \$17 million in funding, including but not limited to:

- State Housing Trust Fund, \$3,000,000
- OED 108 loan, \$2,150,000
- WSHFC Rapid Response, \$949,640
- Rainier Valley Community Development Fund, \$1,206,475
- King County special appropriation, \$750,000

- EPA and State Brownfields grants, 146,623
- OED Brownfield Economic Development Initiative, \$430,000
- OED CDBG Equity Fund loan, \$149,533
- 501 c3 bond proceeds, \$4,200,000
- Office of Housing capital, \$4,553,000.

Location Map 3333 Rainier Avenue South:



Schedule / Sequence of Events

- City Council approves resolution authorizing OH to enter into MFTE Agreement;
- OH and owner sign and record MFTE Agreement;
- OH issues Conditional Certificate of Tax Exemption to owner;
- Upon completion of the project, the owner submits an application for Final Tax Exemption;
- OH reviews application for final tax exemption and issues Final Certificate of Tax Exemption;
- Upon issuance of Final Certificate of Tax Exemption, OH forwards documentation to the King County Assessor's office.

CC: Sara Belz, Council Central Staff
Amanda Allen, DOF